

Lease Process Reform Implementation: Full Speed Ahead!

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WESTERN REGIONS CONFERENCE
SHOWCASE
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What Is It?

Lease process reform was initiated to streamline, simplify, and standardize the GSA leasing process. This provides internal and external consistency among regions, for our customer agencies, and lessors, while still retaining flexibility to allow for innovation.



Why

- ***“This work is critical—especially since, in 2008 for the first time in PBS history, our leased square footage surpassed the space we own. This trend continues.”***
- ***“Clearly, we have to make sure the process is efficient, gets our customers what they need to function well and enables us to get the best deal we can for the government.”***

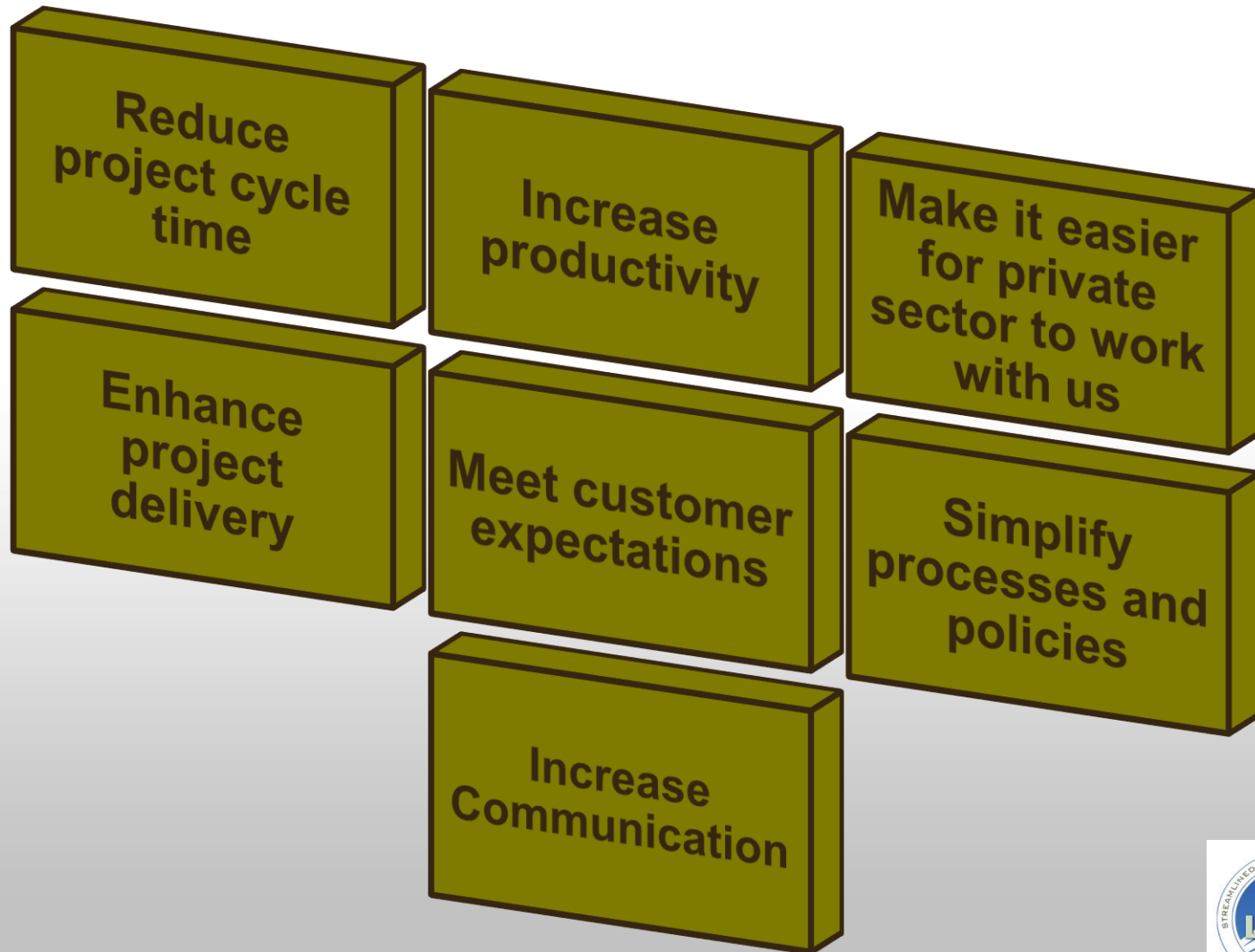
Bob's Blog

Robert A. Peck

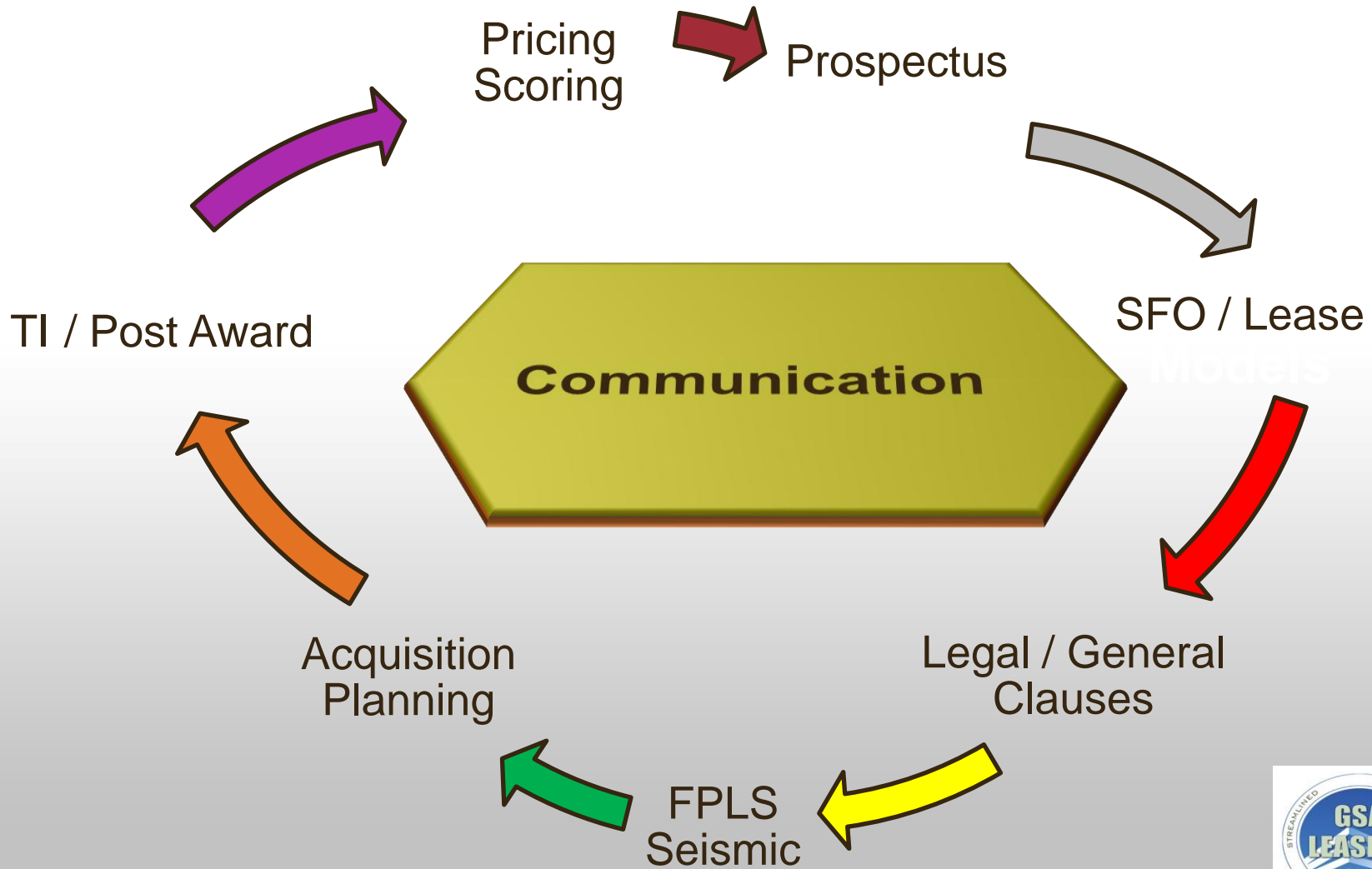
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Key Considerations

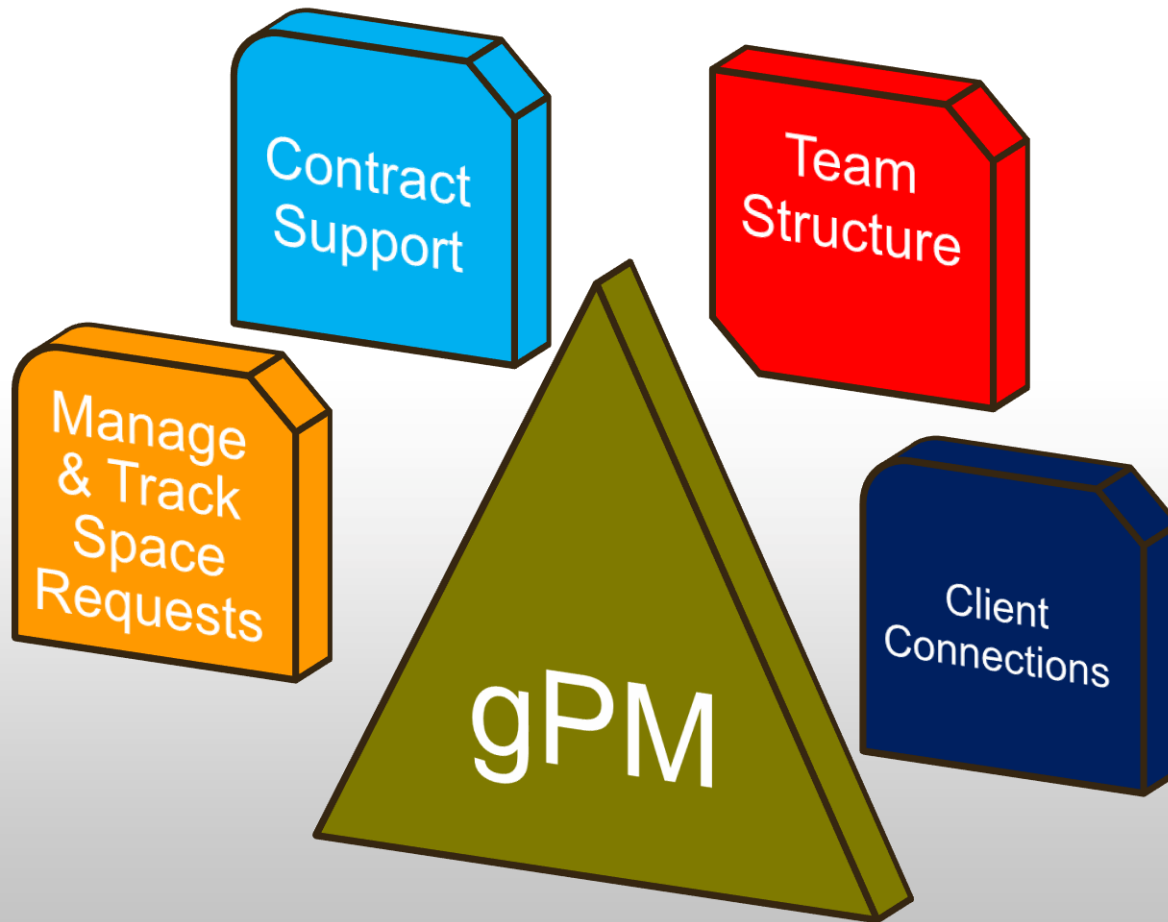


Process Changes



Streamlined / Standardized / Simplified

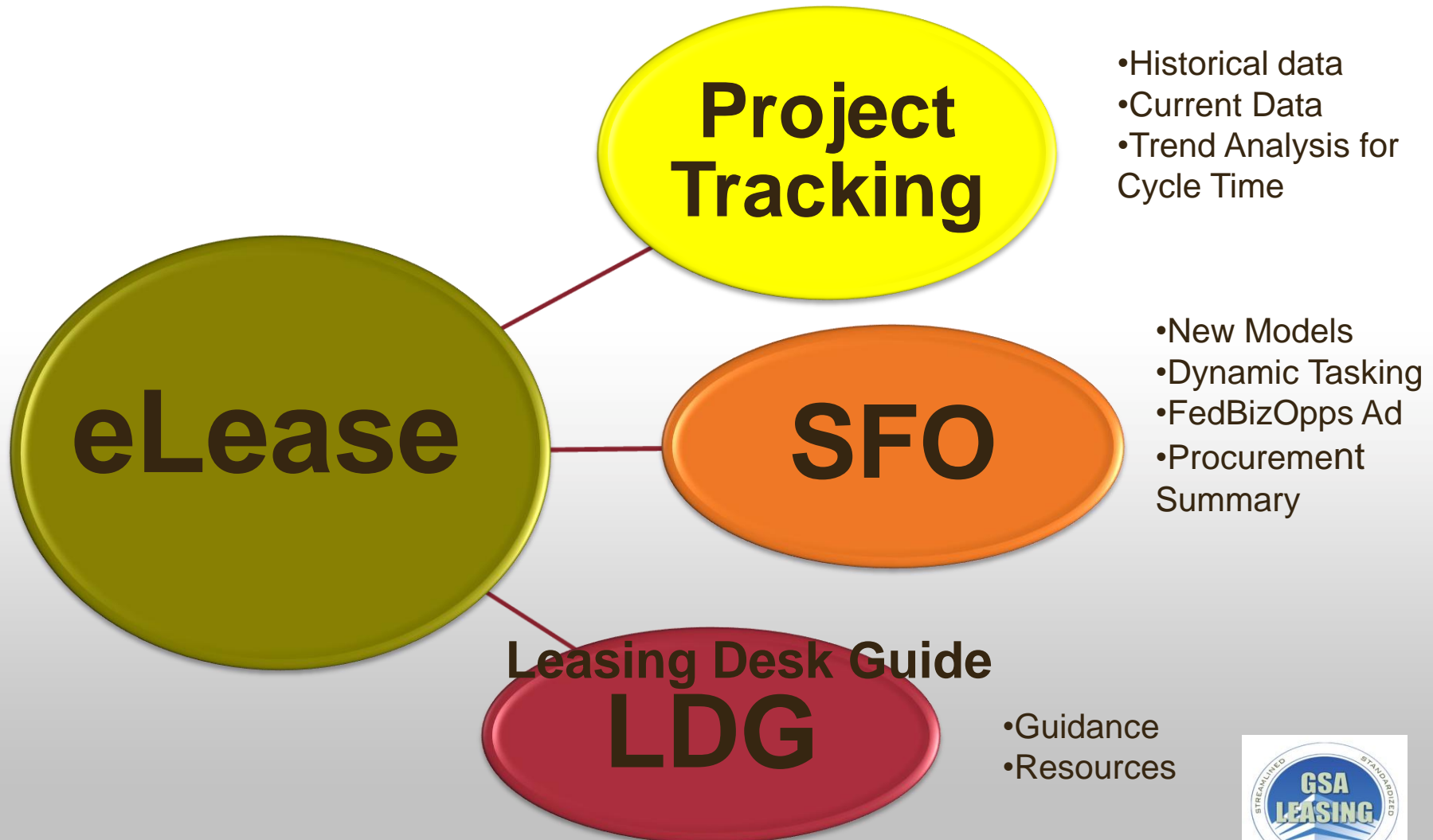
Operational Excellence



Streamlined / Standardized / Simplified



IT Support



Eight for FY10

**Communication
Plans
Internal/External
Customer**

**Apply Uniform
Industry Space
Measurement
Terminology**

**Petition to
Increase the SLAT
to \$300,000**

**Streamline the
Acquisition Plan
Process**

**Uniform
FedBizOpps Ads
& Summary for
Each SFO**

**Reduce CO RBM
Exception Review
Time to No More than
15 Days**

**Simplified
Lease Model**

**Comprehensive
Succeeding/
Superseding
Lease Models**





Recommendations for FY11

- **Create a Streamlined Lease Model**
- **Make Solicitation Improvements (Standard SFO)**
- **Improve TI / Post Award Process**
- **Revise General Clauses**
- **IT enhancements**
- **Expedited Process for Fire Protection and Life Safety**
- **Simplify Seismic Review Requirements**

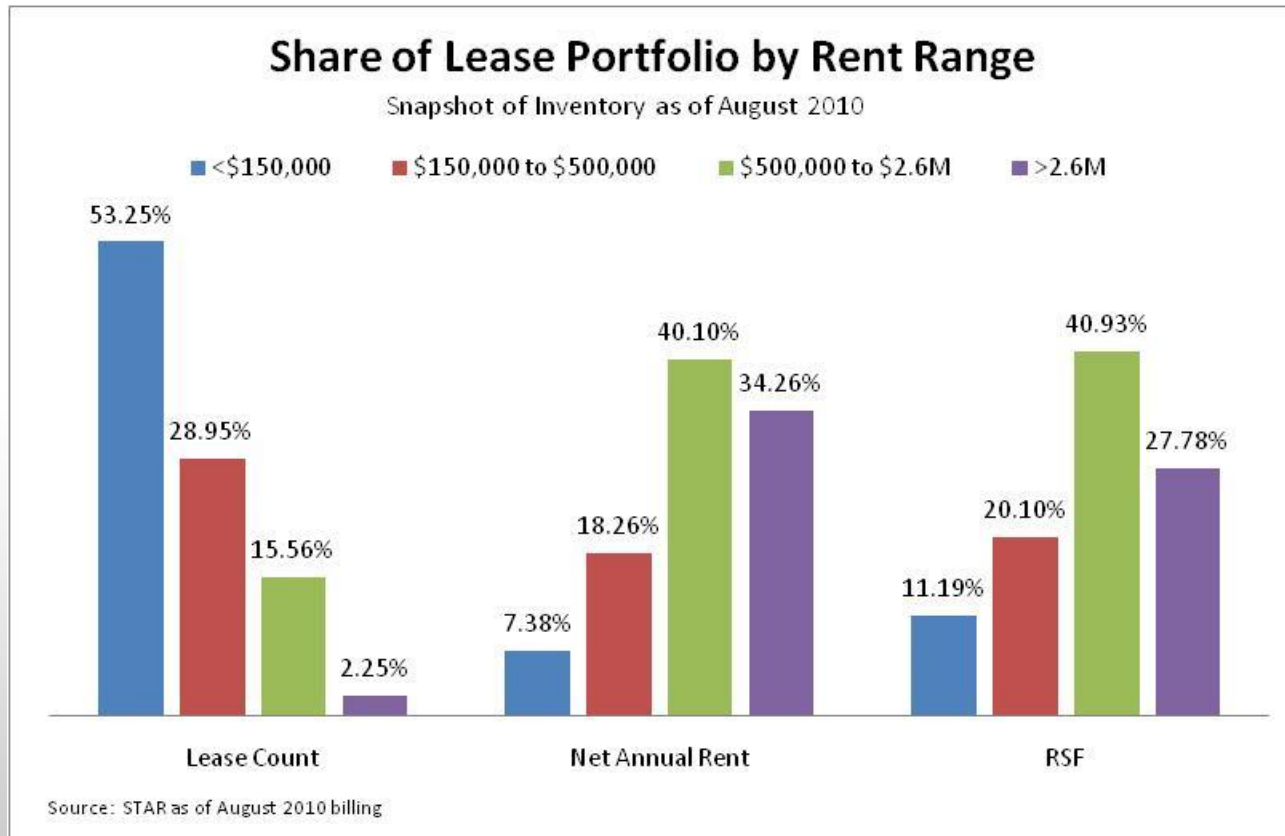


Recommendations for FY11 — continued

- **Pricing Policy & Pricing Policy Training**
- **Clarify Scoring Policies**
- **Improve Prospectus Lease Process**
- **Clarify Resource Needs / Contract Support**
- **Develop a Team for Approach to Track & Manage Projects**
- **Client Connections**



Inventory Structure



Represents 9,283 leases, \$4 billion net annual rent, and 189.5 million sq. ft.



Lease Models

Simplified

- Up to the SLAT threshold (currently \$100,000 net annual rent)
- 53% of lease count
- 7.38% of net annual rent
- 11.19% of sq. ft.
- One and done
- Eliminate general clauses that don't apply

Streamlined

- > \$150,000 net rent < \$500,000
- 28.95% of lease count
- 18.26% of net annual rent
- 20.1% of sq. ft.
- POR prior to solicitation — successful pilot with Census
- One-day DID workshop
- Up-front buy-in

Standard

- > \$500,000 to prospectus level
- 15.56% of lease count
- 40.1% of net annual rent
- 40.93% of sq. ft.
- gPM principles move the acquisition forward smoothly

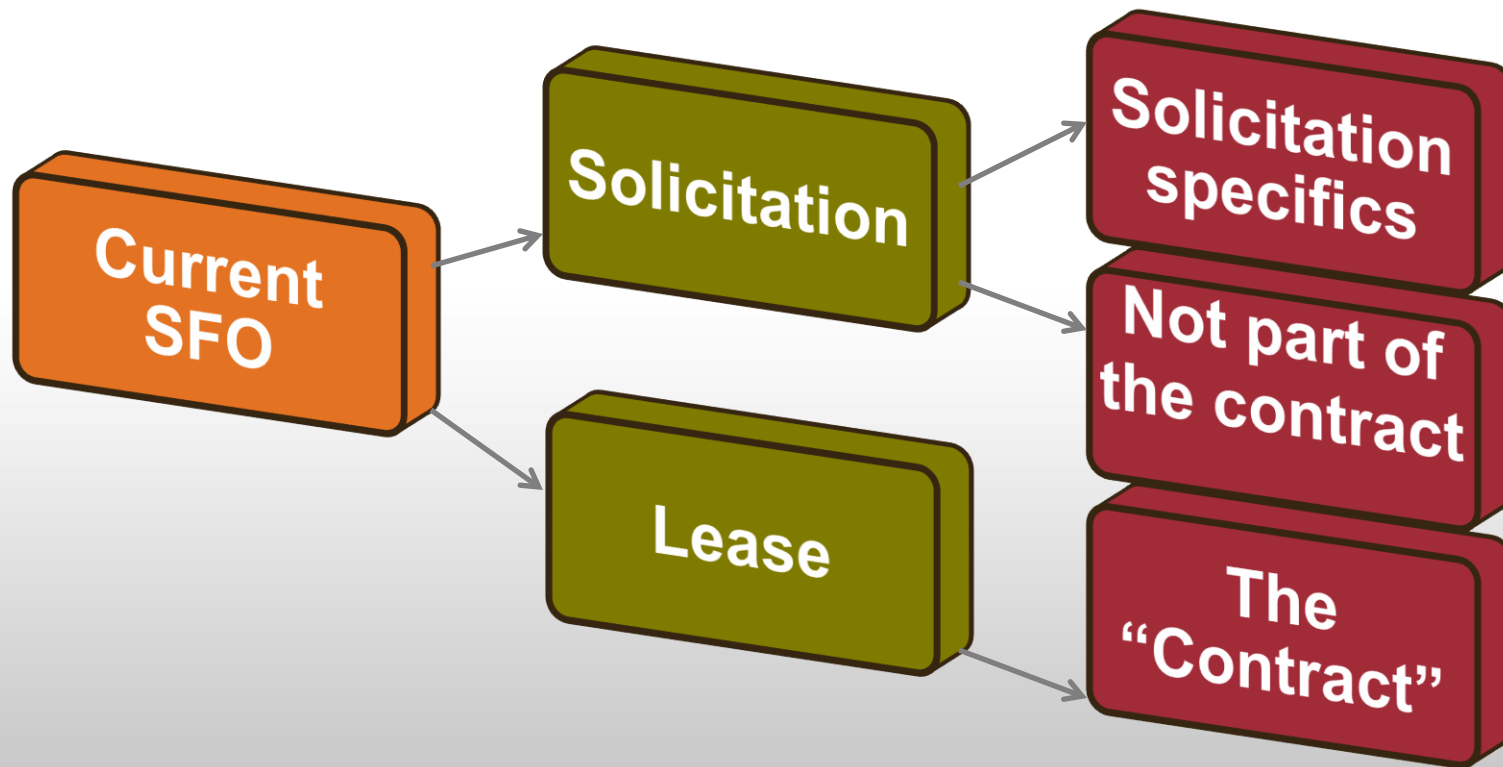
Succeeding/Superseding

- No need to do a full-blown competition if we know we're staying
- Market comps vs. market survey
- Memo to file
- Fast, efficient, does not "lead lessors on"

Prospectus

- 2.25% of lease count
- 34.26% of net rent
- 27.78% of sq. ft.
- gPM team
- Benefits from solicitation and lease restructuring
- Consistent submittal package

Cultural Changes



What's in It for Me?

- Customer requirements received timely
- 3 strike DID process
- Reduced restrictions for Fire/Life/Safety
- Less reinventing the wheel
- More transparency



What's in It for Me?

GSA	Customer	Private Sector
Regional consistency	Regional consistency	National consistency
Increased Productivity	Space delivered quicker	Timely rent start
Separate RLP & lease is less cumbersome	Reviews only RLP – Lease does not change	Better understanding of requirements
Practices more aligned with private sector	Process runs more smoothly	Eliminates confusion between “Offeror & Lessor”
Increased competition	Best space fit & pricing	Easier to offer
LCO discretion	Appropriate model for transaction > best time	Less red tape
Flexibility	Flexibility	Flexibility



Implementation Updates

Follow implementation updates on the Real Estate Acquisition's InSite homepage.

- Go to the PBS homepage
<http://pbsportal.pbs.gsa.gov>
- Click on the Resources tab
- Click on Office of Real Estate Acquisition

NEW! Lease Reengineering Implementation Updates	NEW! Refine Leasing group on Yammer collaboration web site.
<ul style="list-style-type: none">• NEW! June 2010 RSO Conference• NEW! August 2010 Site Acquisition and Relocation Training Conference	NEW! The Leasing Times Q4 edition and additional Online Content NBC2 pics , LEED Gold , Change of Lessor and Ask PR Archives



Questions? Contact Us

Join the Yammer discussion group
“Refine Leasing” at Yammer.com



Email: RefineLeasing@gsa.gov

A mailbox dedicated to improving the GSA
lease process

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